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United States Senate

WASHINGTON, DC 20510

March 19, 2012

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Mary L. Schapiro, Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: SEC Proposed Regulation – Special Disclosures for Conflict-Free Minerals
Section 1502 of the Dodd-Frank Wall Street Reform Act (Conflict-Free Minerals)

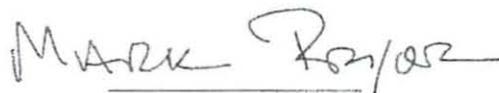
Dear Chairman Schapiro:

The Security and Exchange Commission's (SEC) proposed regulation of the Dodd-Frank Wall Street Reform Act's Conflict-Free Minerals provision may disadvantage U.S. manufacturers by creating impractical and cost-prohibitive compliance protocols for recycled or scrap tungsten. Section 1502 of the Wall Street Reform Act does not address recycled tungsten and considers virgin tungsten a "conflict mineral." Approximately 1 percent of the world's supply is mined in conditions of armed conflict and human rights abuses, notably in the Democratic Republic of the Congo (DRC). Most U.S. based manufacturers do not rely on DRC sources and fully support the law's humanitarian aims. China controls 85% of the world's tungsten supply and it is cutting back tungsten exports, driving the price up by 130%. As a result, manufacturers identified a secondary source: recycled scrap. The use of recycled scrap material is an environmental, cost saving solution that helps maintain competitive prices and access issues related to raw materials. However, as with any recycled materials, tracing its original source is not often possible.

The SEC's proposed rule states that if an issuer's conflict minerals are derived from recycled or scrap sources rather than mined sources, the issuer may consider those minerals DRC conflict free. However, the SEC proposed rules would not specify the due diligence required of such issuers nor would the rule define when a conflict mineral is recycled or scrap. Instead, any issuer seeking to use this alternative approach would have to provide its reasons for believing that the conflict mineral is from recycled or scrap sources in its Conflict Minerals Report, which would include the due diligence on the source of the mineral.

Exempting 100 percent recycled or scrap tungsten from the reporting requirements meets the intent of Section 1502 while encouraging manufacturers to engage an environmentally friendly protocol. Thank you for your consideration of this letter. If you have any questions or concerns, please contact Stephen Lehrman in my office at 202-224-2353.

Sincerely,



Senator Mark Pryor
United States Senator